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# DEPARTMENT OF THE ARMY

JUSTIFICATION OF ESTIMATES FOR FY 1991 BUDGET

## SUBMITTED TO CONGRESS

JANUARY 1990



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ELECTED  
MAR 07 1990  
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### MISSILE PROCUREMENT, ARMY

AIRCRAFT	MISSILES
WEAPONS AND TRACKED COMBAT VEHICLES	OTHER
AMMUNITION	

AD-A218 766

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**DEPARTMENT OF THE ARMY  
Office of the Assistant Secretary of the Army  
(Financial Management)**

DEPARTMENT OF THE ARMY  
MISSILE PROCUREMENT, ARMY

JUSTIFICATION OF ESTIMATES FOR FISCAL YEAR 1991 BUDGET

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MISSILE PROCUREMENT, ARMY

Section 1

Budget Appendix Extract

Appropriation Language

Program and Financing Schedule

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STATEMENT "A" per Bill Schultz  
SAFM-BY-P  
TELECON

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APPROPRIATION LANGUAGE

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants including the land necessary therefor, for the foregoing purposes, and such land and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; \$2,623,500,000 in fiscal year 1991 to remain available for obligation until September 30, 1993.

**Missile Procurement, Army  
Program and Financing (in Thousands of dollars) SUMMARY**

Identification code	21-2032-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations			
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.	
<b>Program by activities:</b>								
<b>Direct program:</b>								
00.0101	Other missiles	2,170,363	2,158,064	2,463,009	2,054,989	2,184,245	2,415,971	
00.0201	Modification of missiles	169,934	140,341	135,374	173,060	174,328	141,242	
00.0301	Spares and repair parts	211,152	176,315	199,027	160,320	35,923	35,923	
00.0401	Support equipment and facilities	28,059	28,992	24,517	27,950	37,500	24,857	
00.9101	Total direct program	2,579,508	2,503,712	2,623,500	2,455,026	2,556,391	2,617,993	
01.0101	Reimbursable program	414,494	266,300	266,300	514,890	279,403	266,300	
10.0001	Total	2,994,002	2,770,012	2,889,800	2,969,916	2,835,794	2,884,293	
<b>Financing:</b>								
<b>Offsetting collections from:</b>								
11.0001	Federal funds(-)	-388,651	-228,400	-228,400	-359,032	-228,400	-228,400	
13.0001	Trust funds(-)	-19,780	-37,900	-37,900	-18,761	-37,900	-37,900	
14.0001	Non-Federal sources(-)	-6,063			-6,006			
17.0001	Recovery of prior year obligations				-104,146			
Unobligated balance available, start of year:								
21.4002	For completion of prior year budget plans				-653,077	-717,742	-651,960	
21.4003	Available to finance new budget plans	-94,690	-3,500	-94,690	-94,690	-3,500	-3,500	
21.4009	Reprogramming from/to prior year budget plan	-32,872						
22.4001	Unobligated balance transferred to other accounts	104,015			104,015			
24.4002	Unobligated balance available, end of year:				717,742	651,960	657,467	
24.4003	For completion of prior year budget plans	3,500		3,500	20,047	20,047		
25.0001	Available to finance subsequent year budget	20,047						
39.0001	Budget authority	2,579,508	2,500,212	2,623,500	2,579,508	2,500,212	2,623,500	
<b>Budget Authority:</b>								
40.0001	Appropriation	2,602,800	2,708,399	2,623,500	2,602,800	2,708,399	2,623,500	
40.0004	Reduction pursuant to P.L. 100-463	-792	-1,529	-792				
40.0005	Reduction pursuant to P.L. 101-165		-203,158		-22,500	-203,158	-1,529	
41.0001	Transferred to other accounts (-)	-22,500	-3,500			-3,500		
41.2201	Transferred to other accounts (unob bal)							
43.0001	Appropriation (adjusted)	2,579,508	2,500,212	2,623,500	2,579,508	2,500,212	2,623,500	

**Missile Procurement, Army  
Program and Financing (in Thousands of dollars) SUMMARY**

		1989 actual	1990 est.	1991 est.
<b>Identification code</b>	21-2032-0-1-051			
<b>Relation of obligations to outlays:</b>				
71.0001	Obligations incurred, net	2,586,117	2,569,494	2,617,993
72.4001	Obligated balance, start of year	4,217,032	3,963,393	4,258,787
74.4001	Obligated balance, end of year	-3,963,393	-4,258,787	-4,335,380
77.0001	Adjustments in expired accounts (net)	-26,808		
78.0001	Adjustments in unexpired account,	-104,146		
<b>90.0001</b>	<b>Outlays</b>	<b>2,708,802</b>	<b>2,274,100</b>	<b>2,541,400</b>

**Missile Procurement, Army  
Object Classification. (in Thousands of dollars) SUMMARY**

		1989 actual	1990 est.	1991 est.
Identification code	21-2032-0-1-051			
Direct obligations:				
Other services:				
125.004 Other	268,692	493,851	543,903	
126.001 Supplies and materials	1,115,115	949,304	847,310	
131.001 Equipment	1,073,219	1,113,436	1,226,780	
	-----	-----	-----	
199.001 Total Direct obligations	2,435,026	2,556,391	2,817,993	
Reimbursable obligations:				
Other services:				
225.004 Other	£5,933	52,349	52,349	
226.001 Supplies and materials	233,871	108,979	95,876	
231.001 Equipment	225,086	118,075	118,075	
	-----	-----	-----	
299.001 Total Reimbursable obligations	514,890	279,403	266,300	
	-----	-----	-----	
999.901 Total obligations	2,969,916	2,835,794	2,884,293	

Missile Procurement, Army  
Program and Financing (in Thousands of dollars) FISCAL YEAR 1987

Identification code	21-2032-0-1-051	Budget Plan (Amounts for PROCUREMENT activities programmed)		Obligations				
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.	
<b>Program by activities:</b>								
<b>Direct program:</b>								
00.0101	Other missiles				73,358			
00.0201	Modification of missiles				26,826			
00.0301	Spares and repair parts				7,551			
00.0401	Support equipment and facilities				2,468			
00.9101	Total direct program				110,203			
01.0101	Reimbursable program				53,312			
10.0001	<b>Total</b>				163,515			
<b>Financing:</b>								
<b>Offsetting collections from:</b>								
11.0001	Federal funds (-)				15,051			
13.0001	Trust funds (-)				933			
14.0001	Non-Federal sources (-)				7			
17.0001	Recovery of prior year obligations				-55,900			
21.4002	Unobligated balance available, start of year:							
21.4003	For completion of prior year budget plans				-150,053			
21.4009	Available to finance new budget plans				-81,490			
22.4001	Reprogramming from/to prior year budget plan				87,890			
25.0001	Unobligated balance transferred to other acc				20,047			
39.0001	Budget authority				-			

**Missile Procurement, Army  
Program and Financing (in Thousands of dollars) FISCAL YEAR 1988**

Identification code	21-2032-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
<b>Program by activities:</b>							
Direct program:							
Other missiles	00.0101	129,055	252,331	129,055			
Modification of missiles	00.0201	23,043	30,786	23,043			
Spares and repair parts	00.0301	4,131	16,481	4,131			
Support equipment and facilities	00.0401	7,179	6,948	7,179			
Total direct program	00.9101				306,546	163,408	
Reimbursable program	01.0101						
Total	10.0001				55,173	5,014	
					361,719	168,422	
<b>Financing:</b>							
Offsetting collections from:							
Federal funds(-)	11.0001	14,568					
Trust funds(-)	13.0001	86					
Non-Federal sources(-)	14.0001	50					
Recovery of prior year obligations	17.0001						
Unobligated balance available, start of year:							
For completion of prior year budget plans	21.4002	-48,246					
Available to finance new budget plans	21.4003		-503,024	-168,422			
Reprogramming from/to prior year budget plan	21.4009		-13,200	-13,200			
Unobligated balance transferred to other acc	22.4001		-6,425	-3,500			
Unobligated balance available, end of year:			16,125				
For completion of prior year budget plans	24.4002		168,422				
Available to finance subsequent year budget	24.4003	3,500	3,500				
Budget authority transferred to other accounts	41.2201		-3,500				
					-3,500		

Missile Procurement, Army  
Program and Financing (In Thousands of dollars) FISCAL YEAR 1989

Identification code	21-2032-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations			
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.	
<b>Program by activities:</b>								
<b>Direct program:</b>								
00.0101	Other missiles	2,170,363	302,237	138,826				
00.0201	Modification of missiles	169,934	36,730	17,756				
00.0301	Spares and repair parts	211,152	174,995	21,858				
00.0401	Support equipment and facilities	28,059	18,534	6,907				
00.9101	Total direct program	2,579,508	2,038,277	360,173				
01.0101	Reimbursable program	414,494	406,405	8,089				
10.0001	Total	2,994,002	2,444,682	368,262				
<b>Financing:</b>								
<b>Offsetting collections from:</b>								
11.0001	Federal funds(-)	-388,651						
13.0001	Trust funds(-)	-19,780						
14.0001	Non-Federal sources(-)	-6,063						
14.0001	Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans							
24.4002	Unobligated balance available, end of year:							
24.4002	For completion of prior year budget plans							
39.0001	Budget authority	2,579,508						
<b>Budget authority:</b>								
40.0001	Appropriation	2,602,800	2,602,800					
40.0004	Reduction pursuant to P.L. 100-463	-792	-792					
41.0001	Transferred to other accounts(-)	-22,500	-22,500					
43.0001	Appropriation (adjusted)	2,579,508	2,579,508					

Missile Procurement, Army  
Program and Financing (in Thousands of dollars) FISCAL YEAR 1990

Identification code	21-2032-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
<b>Program by activities:</b>							
Direct program:							
Other missiles	2,158,064				1,752,953	275,097	
Modification of missiles	140,341				114,553	13,126	
Spares and repair parts	176,315				141,890	14,065	
Support equipment and facilities	28,992				23,414	2,413	
Total direct program	2,503,712				2,032,810	304,701	
Reimbursable program		266,300				266,300	
Total		2,770,012				2,299,110	304,701
<b>Financing:</b>							
Offsetting collections from:							
Federal funds(-)	-228,400					-228,400	
Trust funds(-)	-37,900					-37,900	
Unobligated balance available, start of year:							
For completion of prior year budget plans							-470,902
For completion of prior year budget plans							166,201
Unobligated balance available, end of year:							
For completion of prior year budget plans							2,503,712
Budget authority		2,503,712					
Budget authority:							
Appropriation	2,708,399					2,708,399	
Reduction pursuant to P.L. 101-165		-1,529				-1,529	
Transferred to other accounts(-)		-203,158				-203,158	
Appropriation (adjusted)		2,503,712				2,503,712	

**Missile Procurement, Army  
Program and Financing (in Thousands of dollars) FISCAL YEAR 1991**

		<b>Budget Plan (amounts for PROCUREMENT actions programmed)</b>		<b>Obligations</b>	
		<b>1989 actual</b>	<b>1990 est.</b>	<b>1989 actual</b>	<b>1990 est.</b>
<b>Identification code</b>		<b>21-2032-0-1-051</b>	<b>1991 est.</b>		<b>1991 est.</b>
<b>Program by activities:</b>					
<b>Direct program:</b>					
00.0101	Other missiles		2,463,609		2,002,048
00.0201	Modification of missiles		135,374		110,360
00.0401	Support equipment and facilities		24,517		19,826
00.9101	Total direct program		2,623,500		2,132,234
01.0101	Reimbursable program		266,300		266,300
10.0001	Total		2,889,800		2,398,534
<b>Financing:</b>					
<b>Offsetting collections from:</b>					
11.0001	Federal funds(-)		-228,400		-228,400
13.0001	Trust funds(-)		-37,900		-37,900
24.4002	Unobligated balance available, end of year: For completion of prior year budget plans				491,266
40.0001	Budget authority (Appropriation)		2,623,500		2,623,500

**MISSILE PROCUREMENT, ARMY**

**Section 2**

**Budget Activity Justification**

**Activity 2 – Other Missiles**

**Activity 3 – Modification of Missiles**

**Activity 4 – Spares and Repair Parts**

**Activity 5 – Support Equipment and Facilities**

Department of the Army Annual Budget Estimates JUSTIFICATION	Appropriation Missile Procurement, Army	FY 1991 Budget
Program or Budget Project Account	(Thousands of Dollars)	
Activity 2 - Other Missiles	Actual FY 1989	Estimate FY 1990
<u>Direct Budget Plan</u>	\$2,170,363	\$2,158,064
		\$2,463,609

Section 1 - PURPOSE AND SCOPE

Provides for procurement of surface-to-air, antitank assault, surface-to-surface and air-to-surface missile systems; related ground support equipment; and initial issue and replacement of losses consumed in reliability firings, crew proficiency firings, and other training activities.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

CHAPARRAL Missile System (P-1 Line Item No. 1)

(\$ in Thousands)	FY 1990	FY 1991
	\$25,356	\$-0-

\$25.4 million was appropriated in FY 1990 for procurement of 422 Rosette Scan Seeker (RSS) missiles to upgrade CHAPARRAL Missiles with Infrared Counter-Counter Measures capability. FY 1990 is the last year of CHAPARRAL production.

Air Defense System-Heavy (P-1 Line Item No. 2)

(\$ in Thousands)

FY 1990	FY 1991
\$167,176	\$235,584

\$235.6 million is requested in FY 1991 for the procurement of 220 missiles and 13 Line of Sight Forward Heavy fire units. Line of Sight Forward-Heavy is a component of the Forward Area Air Defense System designed to counter the line of sight fixed wing and helicopter threat to forces in Heavy Divisions (Armored and Mechanized Infantry).

Air Defense System-Heavy, Advance Procurement (P-1 Line Item No. 3)

(\$ in Thousands)

FY 1990	FY 1991
\$31,700	\$36,200

\$36.2 million is requested in FY 1991 to procure long leadtime items, such as radar assemblies, electro-optical components, missile guidance controls and operation display units, for production of the Air Defense System-Heavy.

HAWK Missile System (P-1 Line Item No. 4)

(\$ in Thousands)

FY 1990	FY 1991
\$13,358	\$ -0-

\$13.4 million is required in FY 1990 for costs associated with termination of the HAWK multiyear procurement contract.

Other Missile Support (P-1 Line Item No. 5)

(\$ in Thousands)

FY 1990	FY 1991
\$983	\$4,850

\$4.9 million is requested in FY 1991 to procure replacement HAWK rocket motors and peculiar support equipment.

PATRIOT Missile System (MYP) (P-1 Line Item No. 6)

	(\$ in Thousands)
FY 1990	FY 1991
\$896,645	\$883,152

In FY 1991 \$883.2 million is requested for procurement of 817 missiles for the US, and completes the procurement of ground equipment for Italy under a Cooperative Air Defense agreement (10 Radars, 10 Engagement Control Stations and 2 Information Coordination Controls).

STINGER Missile System (P-1 Line Item No. 8)

	(\$ in Thousands)
FY 1990	FY 1991
\$114,748	\$252,428

\$252.4 million is requested in FY 1991 for 6,922 Stinger-RMP missiles. The Stinger is a manportable air defense missile system that provides self-defense to forward deployed, company size combat units. The Stinger missile is also employed on the AVENGER a component of the Forward Area Air Defense System (FAADS). Head-to-head competition between two Stinger missile producers began in FY 1990.

AVENGER (PED MT STINGER) (MYP) (P-1 Line Item No. 9)

	(\$ in Thousands)
FY 1990	FY 1991
\$114,733	\$97,391

\$97.4 million is requested in FY 1991 for 88 Pedestal Mounts for the Stinger Missile System. The AVENGER component of the Forward Area Air Defense System (FAADS), the Pedestal Mounted Stinger (PMS) consists of a launcher/carrier for eight ready to fire Stinger Missiles and a .50 caliber machine gun integrated with sensors and devices to provide day/night and adverse weather target detection, acquisition, tracking, target ranging, and identification friend or foe (IFF). Beginning in FY 1991, the Army plans to initiate a five year multiyear procurement contract for the PMS System.

AVENGER (PDD MT STINGER) (MYP) Advance Procurement (P-1 Line Item No. 10)

	(\$ in Thousands)
FY 1990	FY 1991
\$ -	\$25,700

\$25.7 million is requested in FY 1991 to procure advance materials in economic order quantities in support of the multiyear procurement of the Line of Sight-Rear Fire Unit.

Laser HELIFIRE System (P-1 Line Item No. 11)

	(\$ in Thousands)	
	FY 1990	FY 1991
	\$98,879	\$123,279

\$123.3 million is requested in FY 1991 to procure 3,002 HELIFIRE missiles and associated equipment. The HELIFIRE missile system is designed to defeat the current and future armor threat at stand-off ranges. HELIFIRE is the primary armament of the AH-64 helicopter.

Advanced Antitank Weapon System-Medium (AWS-M) Advance Procurement (P-1 Line Item No. 12)

	(\$ in Thousands)	
	FY 1990	FY 1991
	\$-0-	\$15,550

\$15.6 million is requested in FY 1991 to procure long lead items for low rate initial production of the Advanced Antitank Weapon System-Medium (AWS-M).

TOW-2 Missile System (P-1 Line Item No. 13)

	(\$ in Thousands)	
	FY 1990	FY 1991
	\$105,404	\$219,465

FY 1991 request of \$219.5 million will procure 13,284 TOW-2B missiles, including 3,000 missiles from the newly developed 2nd production source. The system is an upgrade of the basic TOW which was originally fielded in 1970. The TOW-2B is a further upgrade designed to defeat threat armor until the fielding of Advanced Antitank Weapons System-Heavy (AWS-H).

Multiple Launch Rocket System (MLRS) (MYP) (P-1 Line Item No. 14)

	(\$ in Thousands)	
	FY 1990	FY 1991
	\$432,737	\$313,975

\$313.9 million is requested to procure 24,000 rockets, 73 launchers, and associated ground support equipment in FY 1991. The MLRS is a free-flight rocket system with a dual purpose improved conventional munition warhead. Its mission is to neutralize or suppress enemy field artillery and air defense systems, and supplement cannon artillery.

Multiple Launch Rocket System (MLRS) (MYP) Advance Procurement  
(P-1 Line Item No. 15)

	(\$ in Thousands)
FY 1990	<u>\$63,400</u>
FY 1991	<u>\$59,600</u>

\$59.6 million is requested in FY 1991 to procure advance materials in economic order quantities to support the multiyear procurement contract for MLRS production.

Army Tactical Missile System (ATACMS) (P-1 Line Item No. 16)

	(\$ in Thousands)
FY 1990	<u>\$85,945</u>
FY 1991	<u>\$168,678</u>

\$168.7 million is requested in FY 1991 for procurement of 318 missiles. The Army Tactical Missile System is an improved conventional semi-ballistic missile system designed to attack targets at ranges beyond the capabilities of existing cannons and rockets. ATACMS will be transported and launched from the Multiple Launch Rocket System (MLRS) launcher.

Army Tactical Missile System (ATACMS) Advance Procurement  
(P-1 Line Item No. 17)

	(\$ in Thousands)
FY 1990	<u>\$7,600</u>
FY 1991	<u>\$18,500</u>

\$18.5 million is requested FY 1991 for the procurement of long leadtime for the Army Tactical Missile System.

Total Package Fielding (P-1 Line Item No. 18)  
(P-1 Line Item No. 17)

	(\$ in Thousands)
FY 1990	<u>\$-</u>
FY 1991	<u>\$9,317</u>

\$9.3 million is requested in FY 1991 for procurement of all equipment required to field a system to the U. S. Army, Army National Guard, or U. S Army Reserves.

Department of the Army Annual Budget Estimates <u>JUSTIFICATION</u>	Appropriation Missile Procurement, Army	FY 1991 Budget	
Program or Budget Project Account	(Thousands of Dollars)		
	Actual FY 1989	Estimate FY 1990	Estimate FY 1991
<b>Activity 3 - Modification of Missiles</b>			
<b>Direct Budget Plan</b>	\$169,934	\$140,341	\$135,374

  

<u>Section 1 - PURPOSE AND SCOPE</u>			
Provides for the modification of Surface-to-Air, Surface-to-Surface, and Antitank missile systems.			

  

<u>Section 2 - JUSTIFICATION OF FUNDS REQUESTED</u>			
<b>PATRIOT Modifications (P-1 Line Item No. 19)</b>	(\$ in Thousands)		
	FY 1990	FY 1991	
	\$19,177	\$20,856	
\$20.9 million is requested in FY 1991 for emplacement enhancements, digital link upgrades and the Modification Work Order (MWO) program.			
<b>HAWK Modifications (P-1 Line Item No. 21)</b>	(\$ in Thousands)		
	FY 1990	FY 1991	
	\$28,378	\$43,615	
\$43.6 million is requested in FY 1991 for the fifth year production buy of Phase III modification kits to improve the HAWK missile capabilities. The Phase III modification will improve fire power, low altitude target engagement, and training capabilities of each fire unit, as well as reduce operator and maintenance workloads.			

TOW Modifications (P-1 Line Item No. 22)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$27,571</u>	<u>\$45,385</u>

\$45.4 million is requested in FY 1991 to provide increased anti-armor capability. Improvements include retrofitting TOW 2 missiles to a more lethal warhead configuration, increasing performance against obscurants and electro-optical countermeasures, and modifying missiles to support training requirements.

MARS Modifications (P-1 Line Item No. 26)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$28,167</u>	<u>\$17,468</u>

\$17.5 million is requested in FY 1991 to fund procurement of kits to modify MLRS launchers to make them capable of launching the Deep Battle family of improved munitions (ATAQMS, SADARM and MLRS-TGW).

Tractor Rig (P-1 Line Item No. 27)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$2,578</u>	<u>\$8,050</u>

This is a classified program. Details to be provided separately.

Depot Modification Application (P-1 Line Item No. 28)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$34,470</u>	<u>\$ -0 -</u>

\$34.5 million was appropriated in FY 1990 for depot modification application for Army missiles. Starting in FY 1991 the cost of modification and conversion will be budgeted for each system as directed by the congressional committees.

Department of the Army Annual Budget Estimates <b>JUSTIFICATION</b>	Appropriation Missile Procurement, Army	FY 1991 Budget	
Program or Budget Project Account	(\$ in Thousands of Dollars)		
	Actual FY 1989	Estimate FY 1990	Estimate FY 1991
Activity 4 - Spares and Repair Parts			
Direct Budget Plan	\$211,152	\$176,315	\$ -0-

Section 1 - PURPOSE AND SCOPE

Provides for the procurement of initial provisioning, peacetime replenishment, and mobilization reserve of repairable major assemblies and repair parts for surface-to-air, air-to-surface, surface-to-surface, and antitank missile systems and support items.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

Required for the procurement of initial provisioning, peacetime replenishment, and mobilization reserve requirements of centrally managed, high dollar value depot repairable missile system components, assemblies, and repair parts which are not carried in Army stock fund inventories.

Spares and Repair Parts(P-1 Line Item No. 29)

(\$ in Thousands)  
FY 1990                                  FY 1991  
\$176,315                                  \$ -0-

\$176.3 million was appropriated in FY 1990 for Initial and Replenishment Spares to support major item procurement. Starting in FY 1991 the funding associated with Initial and Replenishment Spares was transferred to the Army Stock Fund.

Department of the Army Annual Budget Estimates JUSTIFICATION	Appropriation	
Program or Budget Project Account	Missile Procurement, Army	FY 1991 Budget
	(\$ in Thousands of Dollars)	
Activity 5 - Support Equipment & Facilities	Actual FY 1989	Estimate FY 1990
Direct Budget Plan	\$28,059	\$28,992
		\$24,517

Section 1 - PURPOSE AND SCOPE

Provides for the procurement of support equipment, miscellaneous items less than \$2.0 million and Production Base Support for Army missile systems.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

Air Defense Targets (P-1 Line Item No. 30)	(\$ in Thousands)	
	FY 1990	FY 1991
Items Less Than \$2.0 Million (P-1 Line Item No. 31)	\$16,391	\$12,503

\$12.5 million is requested in FY 1991 for procurement of air defense targets, towed targets and ground support systems. This program provides targets for training of air defense personnel.

Items Less Than \$2.0 Million (P-1 Line Item No. 31)

(\$ in Thousands)	
FY 1990	FY 1991
\$2,142	\$3,627

\$3.6 million is requested FY 1991 for procurement of tools and test sets to support missile system maintenance and repair.

Production Base Support (P-1 Line Item No. 32)

(\$ in Thousands)

	FY 1990	FY 1991
	\$10,459	\$8,387

\$8.4 million is requested in FY 1991 for production base support for missiles and air defense. This request includes funding for new and replacement equipment at White Sands Missile Range and rehabilitation/replacement of facilities at Government Owned/Contractor Operated plants.

MISSILE PROCUREMENT, ARMY

Section 3

Comparison of Programming Requirements and Financing

Comparison of FY 1990 program requirements as reflected in the FY 1990/1991 Amended Budget with FY 1990 program requirements as shown in the FY 1991 Budget Estimate.

Comparison of FY 1990 financing as reflected in the FY 1990/1991 Amended Budget with FY 1990 financing as shown in the FY 1991 Budget Estimate.

Comparison of FY 1989 program requirements as reflected in the FY 1990/1991 Amended Budget with FY 1989 program requirements as shown in the FY 1991 Budget Estimate.

Comparison of FY 1989 financing as reflected in the FY 1990/1991 Amended Budget with FY 1989 financing as shown in the FY 1991 Budget Estimate.

COMPARISON OF FY 1990 PROGRAM REQUIREMENTS  
 AS REFLECTED IN THE FY 1990/1991 AMENDED BUDGET  
 WITH THE FY 1990 PROGRAM REQUIREMENTS AS SHOWN  
 IN THE FY 1991 BUDGET ESTIMATE  
 SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

	Program Requirements Per FY 1990/1991 Amended Budget Estimate	Program Requirements Per FY 1991 Budget Estimate	Increase (+) or Decrease (-)
<b>Appropriation Missile Procurement, Army</b>			
Activity 2 - Other Missiles	2,270,652	2,158,064	-112,588
Activity 3 - Modification of Missiles	107,337	140,341	+33,004
Activity 4 - Spares and Repair Parts	247,514	176,315	-71,199
Activity 5 - Support Equipment and Facilities	36,097	28,992	-7,105
<b>TOTAL</b>	<b>2,661,600</b>	<b>2,503,712</b>	<b>-157,888</b>

EXPLANATION BY BUDGET ACTIVITY

Activity 2 - Other Missiles - The net decrease results from Congressional adjustments to ADS HVY MSI SYSTEM (\$-68,871), Patriot (\$-12,600), Laser Hellfire System (\$-35,000), MLRS (\$+128,800), general reductions for consultants/contractor travel (\$-1,529), transfer for Coast Guard (\$-35,388), and reprogrammings for OSD Drug Interdiction Program (\$-22,500), Military Personnel Army (\$-42,000) and Real Property Maintenance (\$-13,500).

Activity 3 - Modification of Missiles - The net increase results from Congressional adjustments to Installation of Modernization Equipment (\$+34,470) and transfer to the Coast Guard (\$-1,466).

Activity 4 - Spares and Repair Parts - The decrease results from the transfer to the Coast Guard (\$-20,499) and Army reprogramming for Military Personnel (\$-50,700).

Activity 5 - Support Equipment and Facilities - The decrease results from transfer to the Coast Guard (\$-7,105).

COMPARISON OF FY 1990 FINANCING AS REFLECTED  
IN THE FY 1990/1991 AMENDED BUDGET WITH FY 1990 FINANCING  
AS SHOWN IN FY 1991 BUDGET ESTIMATE

	(In Thousands of Dollars)		
	FY 1990 Financing Per FY 1990/1991	FY 1990 Financing Per FY 1991	FY 1990 Increase (+) or Decrease (-)
	Amended Budget	Budget Estimate	
Program Requirements (Total)	2,943,200	2,770,012	-173,188
Program Requirements (Service Account)	(2,661,600)	(2,503,712)	(-157,888)
Program Requirements (Reimbursable)	(281,600)	(266,300)	(-15,300)
Less:			
Anticipated reimbursements	-281,600	-266,300	+15,300
Unobligated balance available to finance new budget plans		-3,500	-3,500

BUDGET AUTHORITY  
Appropriation

FY 1990  
Financing Per  
FY 1991

Budget Estimate

Decrease (-)

Amended Budget

Increase (+)

or

Decrease (-)

EXPLANATION:

The reimbursable program (offsetting collections) decreased by \$15,300 because orders were less than originally anticipated.

The unobligated balance available to finance new budget plans resulted from a transfer of FY 1988 for Humanitarian Aid.

**COMPARISON OF FY 1989 PROGRAM REQUIREMENTS  
AS REFLECTED IN THE FY 1990/1991 AMENDED BUDGET  
WITH THE FY 1989 PROGRAM REQUIREMENTS AS SHOWN  
IN THE FY 1991 BUDGET ESTIMATE**

**SUMMARY OF REQUIREMENTS (In Thousands of Dollars)**

	Program Requirements Per FY 1990/1991 Amended Budget	Program Requirements Per FY 1991 Budget Estimate	Increase (+) or Decrease (-)
Appropriation Aircraft Procurement, Army			
Activity 2 - Other Missiles	2,157,075	2,170,363	+13,288
Activity 3 - Modification of Missiles	177,472	169,934	-7,538
Activity 4 - Spares and Repair Parts	224,402	211,152	-13,250
Activity 5 - Support Equipment and Facilities	33,059	28,059	-5,000
TOTAL	2,592,008	2,579,508	-12,500

**EXPLANATION BY BUDGET ACTIVITY**

**Activity 2 - Other Missiles** - The net increase resulted from Army reprogramming for CHAMPS (\$-1,000) and below-threshold reprogrammings (\$+14,288).

**Activity 3 - Modification of Missiles** - The net decrease resulted from below-threshold reprogrammings (\$-7,538).

**Activity 4 - Spares and Repair Parts** - The net decrease resulted from Army reprogramming to Operation and Maintenance, Army (\$-6,500) and below-threshold reprogrammings (\$-6,750).

**Activity 5 - Support Equipment and Facilities** - The decrease resulted from Army reprogrammings to Operation and Maintenance, Army (\$-5,000).

**COMPARISON OF FY 1989 FINANCING AS REFLECTED  
IN THE FY 1990/1991 AMENDED BUDGET WITH FY 1989 FINANCING  
AS SHOWN IN FY 1991 BUDGET ESTIMATE**

		(In Thousands of Dollars)		
		FY 1989	FY 1989	FY 1989
		Financing Per	Financing Per	Increase (+) or Decrease (-)
		FY 1990/1991	FY 1991	
	Amended Budget	Budget Estimate	Budget Estimate	
<b>Program Requirements (Total)</b>		3,158,608	2,994,002	-164,606
Program Requirements (Service Account)		(2,592,008)	(2,579,508)	(-12,500)
Program Requirements (Reimbursable)		(566,600)	(414,494)	(-152,106)
<b>Less:</b>				
Anticipated reimbursements		-566,600	-414,494	152,106
Unobligated balance available to finance new budget plans		-94,690	-94,690	0
Reprogramming from/to prior year budget plans		-32,872	-32,872	-32,872
<b>Add:</b>				
Unobligated balance transferred to other accounts		94,690	104,015	+9,325
Unobligated balance available to finance subsequent year budget plans			3,500	+3,500
Unobligated balance lapsing			20,047	+20,047
<b>BUDGET AUTHORITY Appropriation</b>		2,592,008	2,579,508	-12,500

**EXPLANATION:**

The reimbursable program (offsetting collections) decreased by \$152,106 because orders from Foreign Military Sales were less than anticipated.

The reprogramming to/from prior year budget plans was adjusted: Transfers for FY 1987 (\$-6,400), FY 1988 (\$-6,425), and unobligated balance lapsing (\$-20,047).

The unobligated balance transferred to other accounts resulted from FY 1987 (\$+6,400) and FY 1988 (\$+2,925) United Nations Peacekeeping Transfers.

The unobligated balance available to finance subsequent year budget plans resulted from a transfer of FY 1988 funds for Humanitarian Aid (\$3,500).